



# Montgomery County Council

**For Immediate Release**

**January 13, 2004**

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## **COUNCIL COMMITTEE TO TAKE UP STARPOWER SALE**

**N** On January 31, 2005, at 3:30 p.m., the Council's Management and Fiscal Policy (MFP) Committee will hold a worksession on the transfer of interest in Starpower Communications L.L.C. and invites the public to comment on this issue. The meeting will be held in the 7<sup>th</sup> floor hearing room at the Council Office Building in Rockville.

**W** Montgomery County has a franchise agreement with Starpower Communications L.L.C. to provide cable and Internet service to County residents. The company's primary business is delivering bundled communications services to residents. Starpower Communications L.L.C. currently passes approximately 55,000 homes in the County and provides service to more than 5,000 customers.

**R** Starpower Communications L.L.C. is a joint venture between RCN Telecom Services of Washington, D.C., Inc. and Pepco Communications, in which each party held a 50 percent interest. In May 2004, RCN and certain affiliated companies filed a voluntary petition for reorganization under Chapter 11 with the U.S. Bankruptcy Court in the Southern District of New York. As part of the proceeding, RCN arranged a financing plan that included funding to acquire Pepco Communications' 50 percent interest in Starpower Communications L.L.C. The U.S. Bankruptcy Court approved this reorganization on December 8, 2004.

**L** On December 15, 2004 the Executive Branch held a public hearing to receive comments on the purchase by RCN Telecom Services of Washington, D.C., Inc. Jane Lawton, Cable Communications Administrator, Office of Cable and Communications Services and Richard Wadman, Vice President and General Manager of Starpower were the only speakers.

**A** While the County Code provides that the Council has the power to grant a franchise agreement for use of the public right-of-way, this is not required when a company transfers an interest to a person or company that already holds an ownership interest of 25 percent or more; however, the MFP Committee believes that it is important for residents to have an additional opportunity to comment on this restructuring. For additional information on this issue, please contact 240-777-7900.

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